China

92% of businesses leaders expect to electrify their operations by 2035, with 61% expecting them to be largely electrified by 2030

Business confidence about electrifying their operations derives from the positive trajectory of recent electrification rates, coupled with the certainty offered by clear government policies.

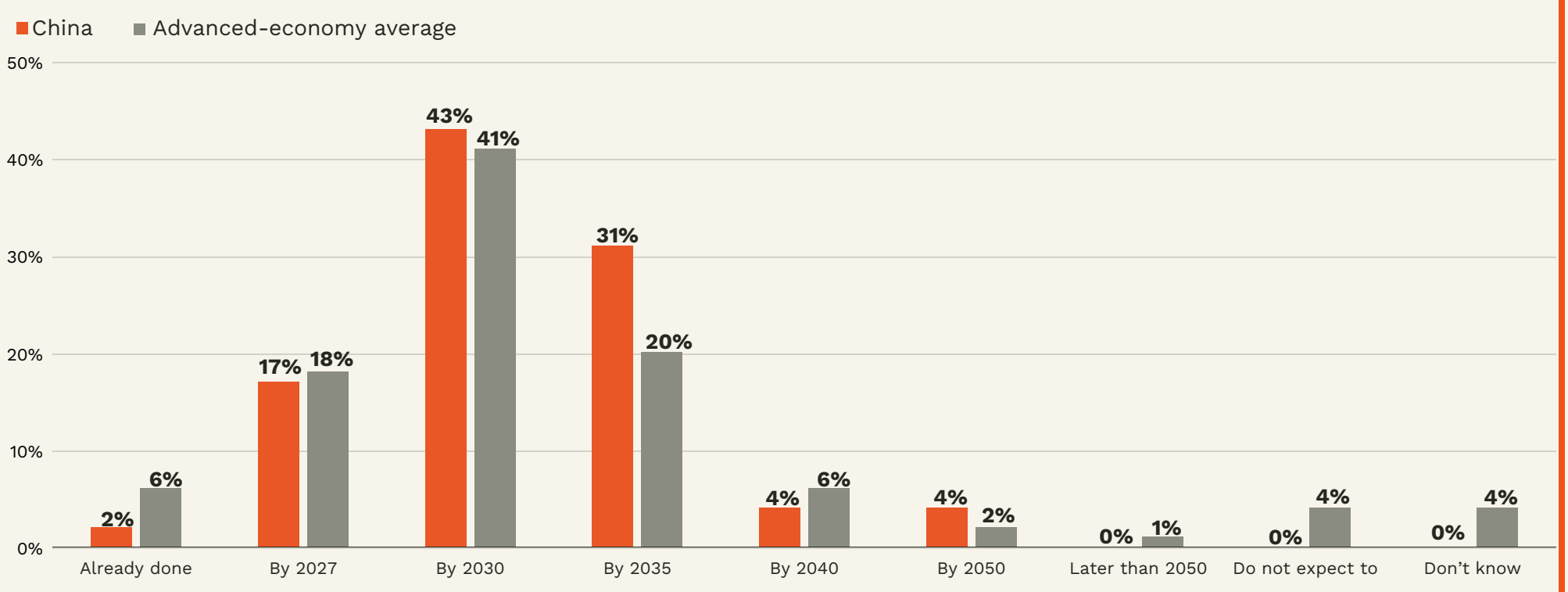
What Business Needs

Senior executives point to upgrades in the transmission network and greater digitalisation of the grid as critical to ensuring that rising business demand for clean electrification is met.

Policy Context

In line with successive Five-Year Plans, the Chinese government has pursued a highly ambitious and proactive approach to clean electrification over the last decade and more—a position reaffirmed in its recent 15th Five-Year Plan. Consistent themes motivating government policy have been electrification's contribution to the country's high-quality economic development. Notable here are the perceived growth and competitiveness gains linked to the "New Three" industries; namely, electric vehicles, batteries and solar photovoltaics. Most business leaders share this viewpoint. For example, the overwhelming majority agree that electrifying their company's operations will strengthen their competitiveness (91%), generate employment (93%) and promote business growth (93%). These company-level benefits help explain why a very high proportion (96%) believe electrification will also boost China's overall economic growth.

Chinese businesses are more likely to electrify by 2035 than those in advanced economies



By when do you expect your business to have largely replaced the majority of fossil fuel-powered equipment and processes with electric alternatives (e.g. electric vehicles, heat pumps, electrified industrial processes)?

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Another long-standing but increasingly important driver of China's promotion of clean electrification is energy security. Historically, China's grid has been dependent on domestic coal. Clean electrification offers the country a prime opportunity to gradually reduce its exposure to this high-carbon fuel source, while also drawing on its strengths in large-scale clean-energy deployment and manufacturing supply chains.

This aligns with China's non-binding objective to double non-fossil electricity capacity by 2035. If successful, this strategy will see fossil-based electricity decline, as it did for the first time in 2025 in the case of coal-fired electricity. For now, however, fossil fuels remain significant, with imports of oil and gas still comprising around one third of the country's total energy consumption.[1] This leaves China vulnerable to the inflationary pressures of geopolitical instability, which 54% of business leaders believe will increase domestic energy costs. A further 71% say China should electrify more urgently as a consequence. Together, these trends explain why senior executives single out energy security (38%), stabilising energy prices in times of instability (33%) and greater business resilience (33%) as the chief benefits of electrifying their companies.

Business Viewpoints

With the twin drivers of business growth and energy security in mind, private-sector leaders strongly support the speed with which the government has deployed renewable generation and increased transmission and storage capacity. This rapid pace reflects rising energy demand and leaves most (92%) executives confident that they will be able to electrify their operations by 2035 or before. China's total electricity consumption exceeded a record 10 trillion kWh in 2025, with advanced manufacturing and clean-tech sectors among the key drivers of demand growth.

The message from business is therefore one of ongoing ambition on the part of policymakers. Most company leaders, for example, actively support further investment in energy storage (91%) and electric vehicle charging (85%) infrastructure. Such sentiments also reflect latent concerns about a supply-demand mismatch; at present, renewable electricity production is often cut back due to grid constraints. Geographical disparity is an important factor here, with clean electricity supply largely concentrated in China's renewable-rich West but demand mostly centred in its rapidly industrialising East. Hence, upgrading the grid (91%) and digitalising the power system (87%) both enjoy strong support among executives.

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1 https://ember-energy.org/app/uploads/2025/09/China-Energy-Transition-Review-2025.pdf